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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, December 12, 2000

JOINT PETITION OF

WORLDCOM, INC.,

and

CASE NO. PUA000087

INTERMEDIA COMMUNICATIONS INC.

For approval to transfer control of
Intermedia Communications Inc.'s Virginia
operating subsidiary to WORLDCOM, Inc.

ORDER GRANTING AUTHORITY

On October 23, 2000, WORLDCOM, Inc. ("WorldCom"), and
Intermedia Communications Inc. ("Intermedia"), (collectively
"Joint Petitioners") filed a joint petition pursuant to Chapter
5 of Title 56 of the Code of Virginia ("Va. Code § __") for
approval to transfer control of Intermedia and its Virginia
operating subsidiary, Intermedia Communications Inc.
("Intermedia-VA")¹, to WorldCom.

¹ The joint petition asks for transfer of control of Intermedia Communications of Virginia, Inc. However, the name of the Virginia operating subsidiary of Intermedia Communications Inc. as shown on certificates TT-37A and T-384 is Intermedia Communications Inc.

Intermedia is also the controlling shareholder in Digex, Incorporated ("Digex"), which is a provider of managed Web and application hosting services for some of the world's leading companies that rely on the Internet as a critical business tool. As of September 30, 2000, Intermedia owned 62% of the outstanding shares of Digex common stock and 94% of the voting power of outstanding Digex stock.

As indicated in the joint petition, after the proposed transaction, Intermedia will be a subsidiary, and Intermedia-VA will be an indirect subsidiary of WorldCom. The transaction will also give WorldCom voting control of Digex, a principal object of WorldCom's in the merger, according to the joint petition.

The joint petition states that a wholly owned, newly-formed Delaware subsidiary of WorldCom, Wildcat Acquisition Corp., will merge with and into Intermedia, and Intermedia will be the surviving corporation. Intermedia-VA will retain the same corporate relationship with Intermedia after the proposed merger is completed. Intermedia's common stockholders will receive a minimum of 0.8904 and a maximum of 1.1872 shares of WorldCom common stock. The conversion is dependent upon the price of WorldCom stock during the period prior to the consummation of the merger. According to the joint petition, if the maximum number of WorldCom shares were issued, the common shareholders

of Intermedia would own slightly more than 2% of the common shares of WorldCom outstanding after the merger is completed.

Holders of Intermedia preferred stock, other than Intermedia Series B Preferred Stock, will receive one share of WorldCom preferred stock for each share of Intermedia preferred stock, according to the joint petition. WorldCom represents in a response to an interrogatory that it has decided, due to various restrictions and covenants, that Intermedia Series B Preferred Stock will remain outstanding preferred stock of Intermedia following the merger. Intermedia has no objection to this decision by WorldCom.

The Joint Petitioners represent in the joint petition that the proposed transfer of control is consistent with the standard in Va. Code § 56-90, and will have no adverse impact on the services or rates of the Joint Petitioners in Virginia. Va. Code § 56-90 states that the Commission may approve a proposed transfer of control if it is satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized. As discussed further below, the Joint Petitioners represent that the proposed transaction will stabilize Intermedia's condition and provide for its and Digex's immediate funding needs while a longer-term strategy can be mapped out and implemented to strengthen Intermedia's regulated business.

Joint Petitioners represent that WorldCom's principal objective centers on Intermedia's controlling interest in Digex. Digex's customers use it to deploy secure, scaleable, high performance business solutions. Digex also offers value-added enterprise and professional services. The Joint Petitioners state that the combination of Digex's comprehensive range of managed, enterprise, and portal hosting solutions with WorldCom's worldwide, facilities-based network and customer relations will provide both entities' customers with a more complete portfolio of Internet products and services to help grow their e-business. Digex is not a regulated business, but it complements WorldCom's regulated services and makes WorldCom a stronger competitor in providing both regulated and unregulated services.

As represented in the joint petition, WorldCom intends to hold and operate Intermedia's services, assets, and operations, including Intermedia-VA, separately until it evaluates its options for maximizing the value of these operations. Options listed in the joint petition are selling them to a third party or consolidating all or some of them with existing WorldCom operations. WorldCom does not expect to change Intermedia's operations in any material respect pending this evaluation. In Virginia, the same entities will continue to hold the same authorizations and will continue to provide the same high-

quality services to the same customers at the same rates, terms, and conditions. As represented by the Joint Petitioners, the approval of the petition will have no adverse impact on the continued availability of high-quality services at current rates, terms and conditions. Also, WorldCom will preserve the value of this asset for possible sale or consolidation with WorldCom's existing operations and will be motivated to maintain quality service and customer relations. WorldCom's assumption of Intermedia's debt and its ability to cover operating losses will provide stability to Intermedia and allow it to grow.

In a response to Staff's interrogatory, the Joint Petitioners state that WorldCom has reached an agreement with the United States Department of Justice ("DOJ") on a proposed consent decree. This consent decree will make WorldCom divest itself of all of Intermedia's assets, including Intermedia-VA, other than its controlling interest in Digex within six months after the close of the merger. Also, under this agreement, WorldCom must operate the Intermedia assets as a separate business. The DOJ agreement is still subject to court approval. The joint petition states that, when WorldCom either enters into an agreement to sell Intermedia or determines to consolidate it with existing WorldCom operations, WorldCom will return to the Commission with the appropriate filings or requests for approval.

THE COMMISSION, upon consideration of the joint petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transaction will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, the Joint Petitioners are hereby granted approval for Intermedia to transfer control of Intermedia and Intermedia-VA to WorldCom under the terms and conditions described herein.

(2) There appearing nothing further to be done in this matter, it is hereby dismissed.